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3 October 1955

MEMORANDUM FOR: The Director of Central Intelligence

SUBJECT: Post-dinner conference, 26 September 1955.

REFERENCE: Attached Memo for Record, same subject.

Submitted herewith is a memorandum prepared jointly by Bill Bundy and myself in which we have set forth in considerable detail the discussion of last Monday evening with Messrs Hoover, Hollister and Gray. It was Bill's thought, and I agreed, that for our own internal purposes it would be well for us to have for future reference a paper reflecting the rationale of the several positions. At the same time the memorandum intended for distribution to the other participants should, as agreed between all of us, be confined to the conclusions arrived at and the points calling for action. I have asked Wayne Jackson to draw up the short form memorandum and to clear it with you prior to its release to Messrs. Hoover, Hollister and Gray. Mr. Gray has expressed a desire to receive his copy at the earliest possible date. You may not deem it advisable to provide the other copies to State and ICA in the absence of Messrs Hoover and Hollister, having in mind the possibility that one or both of them may wish to deal with this personally, at least in the first instance.

(Signed) FRANK G. WISNER

FRANK G. WISNER  
Deputy Director (Plans)

## Attachment:

Reference memorandum.

DD/P-FGW/bjm. 10/3/55

Orig. to DCI w/att

1	cc: SA/DCI/P	(w/att)
1	cc: SA/DCI - Mr. Jackson	"
1	cc: C/PFC	"
1	cc: <del>SA/DCI</del> - attn. Mr. Engle	"
1	cc: <del>SA/DCI</del> <del>Subject File</del>	"
1	cc: DD/P chrono file	"

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3 October 1955

## MEMORANDUM FOR THE RECORD

SUBJECT: Post-Dinner Conference, 26 September 1955

PRESENT: Herbert Hoover, Jr.; John B. Hollister; Gordon Gray;  
DCI, Mr. Wiener and Mr. Bundy

1. The discussion centered on support for local internal security forces in particular, and policy against Communist "internal aggression" in general.

2. On the question of who would supply the approximately \$20 million additional for internal security forces, called for by the 1290-d series of reports, Mr. GRAY said that this was quite different from a normal military mission, although some of the elements of equipment were physically identical. He thought there was nothing in the legislative history to indicate that Congress had this purpose in mind. Rather, Congress had been given a list of other purposes in considerable detail. This did not mean that allocation to this purpose of the military aid funds controlled by the Pentagon was legally barred -- funds had been shifted in the past in larger amounts and for less clearly related purposes. But Mr. GRAY made it clear that he would be most reluctant to see the Pentagon pick up the entire part of this tab. Other arguments were that (1) military aid funds were tightly pinched already, particularly to fulfill high-level "commitments" (Turkey was mentioned), and regardless of the comparative merits of these it was extremely difficult to get out of them; (2) the real purpose of internal security forces was "political" in nature; (3) there was no readily available supply of useable surplus equipment that could be had cheap -- surpluses existed but were in good condition and would have to be charged for.

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4. Mr. HOOVER commented that in certain countries where neutralism is flourishing or on the increase, the types of program which we were discussing could, especially if administered by a civilian as distinguished from a military US agency, form a kind of "fall-back line". In other words, if a particular country might become unwilling to accept US military assistance -- it might nevertheless be anxious to receive support and assistance in the clothing of a civilian effort to strengthen law and order.

5. Mr. GRAY expressed two points of concern, as follows:

a. In some countries it might be difficult for the Military to get into a position of supporting competitive services or institutions. He cited Thailand as an example, pointing out that the Military is presently supporting a very substantial MAAG program, and it might be better in that country for some other agency to support the police program. However, he did not insist upon this point, but rather indicated that it was an aspect of the matter which should be carefully considered.

b. Mr. GRAY reiterated a number of times the point that there should be a selection of the department or agency which would have the responsibility of "belling the cat" -- i.e., informing the governments and military authorities of the US decision to reduce conventional military aid, and increase (on a smaller scale) aid in the field of police and security forces development. No decision was reached as to which department or agency would have to "tell off" the governments of the various countries, but it was generally recognized that considerable resistance and objection should be anticipated -- especially in the countries where the military have become accustomed to receive and to expect very substantial amounts of military assistance.

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6. Mr. HOLLISTER said that ICA's primary purpose was in the economic field, and that many of the items needed for the internal security program were military hardware not usually procured by ICA. (He even included such items as jeeps, but it was pointed out that ICA people all over the world used jeeps aplenty.) While he recognized the need, he was reluctant to have ICA assume responsibility. Moreover, ICA funds were tight, and crisis demands in the past had almost always led to painful adjustments. He was trying to handle this by a new system of programming only 80% of the funds ticketed for a particular country, leaving the other 20% in reserve, tentatively allotted for the country if all went well but available for other uses if an over-riding need developed.

7. Mr. HOOVER said the programs were clearly desirable, and on the face of it "much better than much of what we do." He asked who had supported the Schwarzkopf mission in Iran, which he considered a model of effective work in the field. Mr. DULLES said that this had been handled by the military, but separate from the MAAG, with entirely separate government contacts. Mr. HOOVER noted that the whole concept had been geared to the internal problem, avoiding entirely the question of meeting attacks across the frontier, which was the strictly military problem.

8. Mr. DULLES said that the responsibility could not be the same in all cases. In Iran, it was appropriate to keep it as it was -- a military responsibility.

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Elsewhere, for example in Indonesia, the existing arrangement under ICA was going well. Many of the subject countries did not have military missions, and in some cases would not accept them for political reasons. Therefore, it had to be ICA, assuming it was to be done overtly.

9. Mr. DULLES suggested that the job of training internal security forces had a lot in common with traditional missions of the Marines, and wondered if they could not be made available. Mr. GRAY did not appear to take much to this idea, remarking that the Marines were pretty proud of their status and would not now regard training police as a fit job.

10. Mr. HOOVER concurred with the point about a case-by-case approach, and went on to make it clear that ICA would have to do a major share of the financial support. He pointed out that the reserve system described by Mr. HOLLISTER lent itself to getting the necessary funds, which were not in any event enormous relative to

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other accounts. Mr. HOLLISTER interjected a remark indicating that he was concerned about the prospect of the whole \$20 million coming out of his \$1.7 billion, and Mr. HOOVER's reply indicated that he had in mind the whole total of foreign aid, to which Mr. GRAY did not demur, but asked how much of the \$20 million was in military-type items. Mr. BUNNY noted that about \$9.7 million was listed as "MDAP," with the balance "other," presumably soft goods of various types. Of this the "MDAP" side was in large chunks, of which the principal one was for Cambodia. \*

11. Mr. HOOVER argued further that ICA government contacts throughout the world were generally more appropriate for the internal security job than were the contacts of the military missions, which were confined almost wholly to their truly military opposite numbers. Mr. GRAY agreed with this, citing specifically the case of Formosa, where our extensive military contacts had no light on the internal security problem. There was some discussion of the fact that in some countries the military and the internal security forces were sharply different elements in the internal political power picture. Mr. HOOVER thought we could often help preserve a balance by having separate leverage on each, through different channels.

12. Mr. HOLLISTER said it was clear to him that ICA would have to play a major part.

13. Mr. HOOVER said that it was his idea that the four responsible agencies (State, ICA, Defense, and CIA) should go down the list and divide up the responsibility for financial support. He thought that key members of the Congressional committees should then be approached and told that this was the Executive Branch proposal on how to use funds for this key undertaking. He was confident that such an approach would obtain the necessary understanding and concurrence, provided that the four agencies concerned could submit a clear and comprehensive series of programs. Mr. HOOVER was in favor of getting on with this job in such a way as to be in a position to submit those programs at the earliest possible date and without awaiting the budget and appropriations phase of the next.

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\* The actual figures from the 1290-d summary draft, page 18, are \$9.3, not \$9.7, million for "MDAP," of which \$5.3 million is for Cambodia. In the "Other" column, the major items are \$4 million for Laos, \$3 million for Indonesia, and \$1,075 thousand for Thailand. General Palmer has reported that the \$20 million figure represents a rough summation of the eighteen or so country programs thus far completed in the 1290-d studies. An "educated guess" as to what the total figure for all countries might come to would be nearer to \$30 million.

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